

Qwest Depreciation Waiver Petition

WC Docket No. 05-259

- In jurisdictions that rely on a rate-of-return regulation, state commissions can and will prevent carriers that adopt FAS 143 from over recovering cost of removal.
 - In jurisdictions that prescribe state-specific depreciation lives and methods, a carrier cannot adopt FAS 143 for state purposes without state commission approval.
 - In rate-of return regulated jurisdictions, a carrier that has adopted FAS 143 cannot raise rates to recover the cost without a ratemaking proceeding.
 - Regulators scrutinize depreciation lives and accounting methods during ratemaking proceedings.
 - State regulators can and do impose adjustments to operating income and rate base to prevent cost over recovery in rate-of-return ratemaking proceedings.

Qwest Depreciation Waiver Petition WC Docket No. 05-259

Consequences of a Write-Up

- The Potential Problem
 - A carrier that is (or could become) cost-of-service regulated and is granted a waiver that yields a write-up of net plant.
 - If no remedial action is taken, the carrier could recover the write up in rates, thereby effecting an “over recovery” of rate base.
- The Nebraska Solution
 - Qwest sought a waiver of state-specific accounting rules so that it could use the same books it does for FCC reporting.
 - Because Nebraska-prescribed depreciation has been greater than FCC depreciation, the waiver results in a write-up of net plant.
 - Nebraska’s solution was to condition approval of the waiver on a standing, perpetual rate base adjustment equal to the write-up.
 - In any future cost-of-service litigation, the adjustment protects ratepayers by reducing rate base by the amount of the write-up.

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Petition) Application No. C-3684
for Declaratory Order Regarding)
Applicability of Certain)
Accounting Requirements or, in) GRANTED
the Alternative, Application for)
Waiver of Certain Accounting)
Requirements.) Entered: November 8, 2006

BY THE COMMISSION:

On August 25, 2006, Qwest Corporation (Qwest) of Denver, Colorado, filed a Petition for Declaratory Order Regarding Applicability of Certain Accounting Requirements or, in the Alternative, Application for Waiver of Certain Accounting Requirements (hereinafter referred to as the Petition for Waiver). Notice of the Petition for Waiver was published in the Daily Record, Omaha, Nebraska, on September 1, 2006. No protests or interventions were filed.

Qwest seeks to discontinue maintaining Nebraska jurisdictionally specific accounting records on two accounting bases in Nebraska. One basis of accounting follows rules prescribed by the Federal Communications Commission (FCC). The other basis of accounting applies Nebraska jurisdictional differences that reflect accounting standards and estimates which deviate from FCC accounting and instead follows accounting standards and estimates unique to Nebraska. In its Petition, Qwest states the three Business Activity Codes (BACs) used to account for Nebraska jurisdictional differences are BAC 0178 J Depreciation Rate Differences, BAC 0179 J Depreciation Amortization Differences, and BAC 0289 J Postretirement Cap Reversal. The sum of the retained earnings balances in BACs 0178, 0179 and 0289 as of January 1, 2006 is a debit of \$6,866,657.34 on Nebraska's "JR" intrastate books. This debit is the result of a net credit to assets and liabilities and is included in the calculation of rate base in a rate of return rate case.

O P I N I O N A N D F I N D I N G S

As presented, the Commission understands Qwest's Petition for Waiver to be limited in nature to keeping accounting records unique to Nebraska for depreciation accounts identified above. In response to some concerns by Commission staff, Qwest states:

1. The requested waiver would allow Qwest to keep one set of books for Nebraska instead of two.

2. The requested waiver would preserve the accumulated difference between FCC and "JR" balance sheet balances for any future rate case.
3. The waiver contemplates and provides for the possibility of a Qwest rate case in Nebraska.
4. In the event of a rate case, the proposed qualifications on the requested waiver should preserve the ability of both the Staff to propose and the Commission to impose the depreciation lives and rates that Staff believes are appropriate.

Accordingly, Qwest, in response to Commission staff concerns, requests the Commission accommodate those concerns regarding the ability to use a Nebraska specific rate base for a future cost-of-service rate case. Upon review of Qwest's commitments we find that a waiver should be granted as provided in this Order.

First, we require Qwest to continue to account for differences should a cost-of service rate case be filed. Qwest must preserve the accumulated difference between FCC and JR balance sheet balances for any future rate case. The differences between the balance sheet balances on the FCC and JR books on January 1, 2006, are set forth in Attachment A to this Order. In the event Qwest is involved in a cost-of-service rate case in Nebraska at some future time, the balance differences identified in Attachment A will be included as an adjustment to the rate base that will serve to reduce Qwest's rate base by \$6,866,657.34 which the Commission understands is an intrastate calculation.

In addition, no party would be prevented from proposing a pro forma adjustment to the test year cost of service analysis in such future rate case that incorporates the effect of using different depreciation rates than the rates Qwest uses for FCC accounting. Such rates would be used on a prospective basis.

Further, this waiver will have no effect on Qwest's obligation to comply with FCC rules pertaining to accounting under the Uniform System of Accounts for telecommunications companies or jurisdictional separations procedures. Qwest committed to continue to maintain accounting records in accordance with FCC requirements and will continue to calculate results of operations separated between interstate and intrastate jurisdiction in Nebraska as required by the FCC. In addition, Qwest will continue to prepare and file Automated

Reporting Management Information System (ARMIS) reports as required by the FCC.

We also find that Qwest must continue to account for its operations and investments on a Nebraska-specific basis.

Finally, the grant of this waiver is purely discretionary in nature. The Commission retains its ability to modify the limitations imposed herein, to impose other requirements associated with this waiver, or to terminate this waiver if it deems appropriate.

Subject to the waiver conditions described herein and any hereinafter imposed by the Commission, Qwest may cease keeping JR books relative to the depreciation accounts referenced herein effective January 1, 2006. Further, the grant of this request will relieve Qwest of its obligation to file depreciation studies pursuant to Docket No. C-664.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission the Petition for Waiver is granted to the extent provided herein.

IT IS FURTHER ORDERED that the waiver granted herein may be further limited, modified or terminated at the discretion of the Commission.

MADE AND ENTERED at Lincoln, Nebraska this 8th day of November, 2006.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

ATTACHMENT G

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Phone 202.429.3122
Fax 202.293.0561

Ed Henry
Director - Finance

ORIGINAL

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December 1, 2005

EX PARTE

RECEIVED

DEC - 1 2005

Federal Communications Commission
Office of Secretary

VIA HAND DELIVERY

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
Room TW B-204
445 12th Street, S.W.
Washington, DC 20554

Re: *In the Matter of Petition of Qwest Corporation for Waiver of Depreciation
Regulation Pursuant to 47 C.F.R. § 1.3 - WC Docket No. 05-259¹*

Dear Ms. Dortch:

On October 20, the undersigned, along with Jerome Mueller and Marti Gude, also of Qwest, met with Tamara Preiss, Fatina Franklin, Steve Morris, Rick Robinson, and Ronald Kaufman of the Wireline Competition Bureau to discuss the above-captioned matter.

On October 24, 2005 Qwest filed an ex parte regarding that meeting.

This ex parte is being submitted to answer Staff questions regarding the October 24, 2005 ex parte and contains "Qwest Depreciation Waiver Meeting FCC Follow-Up Questions" and multiple attachments to that document. Qwest is submitting two versions of this letter and of the attached materials - a "Confidential - Not For Public Inspection" version and a "Redacted - For Public Inspection" copy. Pursuant to FCC Rules 47 C.F.R. §§ 0.457 and 0.459, Qwest requests confidential treatment of the data contained in the "Confidential - Not For Public Inspection" version of this letter and attached materials. The data is financial information which is not available for public inspection and is competitively sensitive information. A release of the data would have a substantial negative competitive impact on Qwest. Qwest provides a justification for such confidential treatment in the attached Appendix. In the redacted version of the ex parte, the attached materials have been designated as "**REDACTED - FOR PUBLIC INSPECTION**" and all of the confidential data has been removed. In the confidential version of

¹ See Public Notice, DA 05-2337, rel. Aug. 22, 2005.

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Ms. Marlene H. Dortch
December 1, 2005

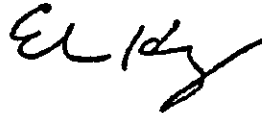
Page 2 of 2

the ex parte, the attached materials have been designated as "**CONFIDENTIAL – NOT FOR PUBLIC INSPECTION.**"

Pursuant to FCC Rule 47 C.F.R. § 1.1206(b)(2), this ex parte presentation is being filed via hand delivery. An original and one copy are being submitted as well as one copy to be stamped as received and returned to the messenger who has been instructed to wait for it.

Please contact the undersigned with any questions.

Sincerely,



Enclosures

cc: Tamara Preiss (Tamara.Preiss@fcc.gov)
Fatima Franklin (Fatima.Franklin@fcc.gov)
Steven Morris (Steve.Morris@fcc.gov)
Richard Robinson (Richard.Robinson@fcc.gov)
Ronald Kaufman (Ronald.Kaufman@fcc.gov)

Appendix

Confidentiality Justification

Qwest requests confidential treatment of the financial information being provided, because it is confidential and proprietary financial information. That information should be afforded confidential treatment under either (or both) 47 C.F.R. § 0.457 and § 0.459.

47 C.F.R. § 0.457

The financial information designated as confidential is confidential and proprietary to Qwest as "trade secrets and commercial or financial information" under Section 0.457(d). Disclosure of such information to the public would risk revealing company-sensitive proprietary information and would have a substantial negative competitive impact on Qwest.

47 C.F.R. § 0.459

The financial information designated as confidential is also subject to protection under 47 C.F.R. § 0.459, as demonstrated below.

Information for which confidential treatment is sought

Qwest requests that the materials attached to the confidential version of this ex parte and designated as "**CONFIDENTIAL – NOT FOR PUBLIC INSPECTION**" be treated on a confidential basis under Exemption 4 of the Freedom of Information Act. Each page of these materials contains confidential and proprietary financial information.

Commission proceeding in which the information was submitted

The information is being submitted in WC Docket No. 05-259, *In the Matter of Petition of Qwest Corporation for Waiver of Depreciation Regulation Pursuant to 47 C.F.R. § 1.3*.

Degree to which the information in question is commercial or financial, or contains a trade secret or is privileged

As noted above, the financial information designated as confidential is detailed confidential commercial financial data and accounting information. Public disclosure of this information would be harmful to Qwest as it is competitively sensitive.

Degree to which the information concerns a service that is subject to competition; and manner in which disclosure of the information could result in substantial competitive harm

This financial information relates to services that are subject to competition, is not made publicly available by Qwest and would generally not be subject to routine public inspection under the Commission's rules (47 C.F.R. § 0.457(d)), demonstrating that the Commission already anticipates that release of this kind of information likely could produce competitive harm.

Measures taken by Qwest to prevent unauthorized disclosure; and availability of the information to the public and extent of any previous disclosure of the information to third parties

Qwest treats this financial information as confidential and has protected it from disclosure to parties outside the company.

Justification of the period during which Qwest asserts that the material should not be available for public disclosure

Qwest cannot determine at this time any date on which this information should not be considered confidential or would become stale for purposes of the current inquiry, except that the information would be handled in conformity with general Qwest records retention policies, absent any continuing legal hold on the data.

Other information that Qwest believes may be useful in assessing whether its request for confidentiality should be granted

Under applicable Commission and court rulings, the information in question should be withheld from public disclosure. Exemption 4 of the Freedom of Information Act shields information that is (1) commercial or financial in nature; (2) obtained from a person outside government; and (3) privileged or confidential. The financial information designated as confidential satisfies this test.

QWEST DEPRECIATION WAIVER MEETING FCC FOLLOW-UP QUESTIONS

1. Asset Retirement Obligation (ARO) - FAS 143

- A. Provide specific journal entries made at the time Qwest adopted FAS 143, January 1, 2003 (day before and day after view of balances).

Response:

FAS 143 Disclosure: The journal entry detail that is provided on the attached documents relates to the adoption of FAS 143 for the RBOC entity. In Qwest's previous ex parte, which was filed on October 24, 2005, it provided amounts that were summarized from a QC (Qwest Communications) 10-K for the year ended December 31, 2003 which also included the Malheur and Qwest Wireless entities. In order to tie the detail from the attached journal entries back to the previously provided table, the table has been updated to include detail for the RBOC entity since the RBOC entity is included in the QC consolidated amounts.

Summary of the FAS 143 Implementation Impact on QCII and QC:

QC	(\$M's)	RBOC Only	
		(\$M's)	Reference
Poles			(1) Attachments 1.A.1, and 1.A.2
Aerial Cable			(1) Attachments 1.A.1, and 1.A.2
Aerial Wire			(1) Attachments 1.A.1, and 1.A.2
Reversal of Excess Removal Costs	365		
Net Asset	5		(2) Attachments 1.A.1, and 1.A.3
Retirement Obligation	-12		(3) Attachments 1.A.1, and 1.A.3
Net Asset Retirement Obligation	-7		
Cumulative Effect	358		(4) Attachments 1.A.1, and 1.A.4
Taxes	-139		(5) Attachment 1.A.4
Net Income Impact	219		(6) Attachment 1.A.4

The attached worksheets tie back to the QC amounts listed above and contain the following information:

1.A.1: Journal Entry – Actual entry recorded to recognize the implementation of FAS 143.

1.A.2: Cost of Removal – Calculation of Cost of Removal amounts reversed at implementation.

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1.A.3: Cumulative Effect – Summary of removal obligations for central offices and equipment rooms.

1.A.4: Tax-Net Effect – Calculation of tax and net income impacts of the FAS 143 implementation.

B. Provide historical Future Net Salvage amounts for the 3 plant accounts that did not have negative net salvage.

Response: See Attachment 1.A.2 for the negative Future Net Salvage amounts for Pole Lines, Aerial Cable (metallic) and Aerial Wire in the column titled "Future Net Salvage %."

2. Investment/Reserve Adjustments.

A. Demonstrate Qwest's methodology of allocating the investment/reserve balance to the state level.

Response: The following outlines the steps of Qwest's process of allocating the FR reserve to the states and the attachments that illustrate the steps.

		Attachment
Step 1:	Calculate theoretical reserve by state using 2005 FR depreciation parameters. Calculations were performed based on 1/1/2004 data for purpose of establishing the theoretical reserve. <u>Theoretical Reserve Calculation</u> $(100-FNS) - ((100-ANS) * (ARL/ASL))$ FNS = Future Net Salvage ANS = Average Net Salvage ARL = Average Remaining Life ASL = Average Service Life	2.A.1
Step 2:	Calculate the account theoretical reserve relationship as a percent of the total for all states. <u>Percent Calculation</u> $\text{Account Theoretical Reserve} / \text{Sum of all States for Same Account}$	2.A.2
Step 3:	Allocate the 1/1/2005 FR book reserve by account based on percentages calculated in Step 2. <u>Allocation Calculation</u> $\text{FR Account Reserve} * \text{State Account Percent from Step 2}$	2.A.3
Examples	Colorado Idaho South Idaho North North Dakota	2.A.4 2.A.5 2.A.6 2.A.7

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- B. Demonstrate what entries Qwest would make if the waiver was granted. As of the effective date (assume 1/1/05), show the implementation entries down to state level. (All Part 32 affected accounts. Day before and day after view of balances.)

Response: The attached worksheets summarize the adjustments necessary to bring Qwest's MR records in line with Qwest's external reporting for issues relating to fixed assets and accumulated depreciation. The worksheets are displayed in ARMIS format and the adjustments are shown at the total company and state level. Colorado, Idaho and North Dakota were chosen as the state examples.

	Attachment
Before and After: Summarizes the adjustments by impacted ARMIS lines of a 1/1/05 implementation of Qwest's Depreciation waiver at a total company level.	2.B.1
Colorado Example: Summarizes the adjustments by impacted ARMIS lines of a 1/1/05 implementation of Qwest's Depreciation waiver for the state of Colorado.	2.B.2
Idaho Example: Summarizes the adjustments by impacted ARMIS lines of a 1/1/05 implementation of Qwest's Depreciation waiver for the state of Idaho.	2.B.3
North Dakota Example: Summarizes the adjustments by impacted ARMIS lines of a 1/1/05 implementation of Qwest's Depreciation waiver for the state of North Dakota.	2.B.4

Additionally, in order to align the MR records with GAAP records for fixed assets and depreciation, the following assignments and/or allocations are required:

Depreciation Adjustments: The adjustment to Accumulated Depreciation was determined by allocating the GAAP Accumulated Depreciation to states. The allocation is based on the state level theoretical reserve. The state theoretical reserve is developed based on GAAP depreciation parameters as of 1/1/2005. Attachments 2.B.2, 2.B.3, and 2.B.4 provide the details of the accumulated depreciation by state.

Property, Plant and Equipment: These adjustments were constructed in two steps. First, GAAP offbook adjustments associated to a specific state were assigned to that state. Second, the remaining offbook balance was allocated to states based on the adjusted MR balance.

Additional Considerations: This includes the impact on deferred income taxes resulting from below the line adjustment and the impact on the jurisdictional accounts resulting from changes in Qwest's MR balances. For purposes of this analysis, income taxes were assessed at 39%. When the final entry is made the general ledger system will calculate a more specific tax amount. The impact on the Jurisdictional accounts, 1500, 4370 and 7910 were calculated at an assumed 75% of the MR changes. This amount will also be mechanically generated when a final transaction is entered.

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3. **Asset Impairment.** Provide an example of a journal entry made to record an asset impairment. Also, provide an example assuming the waiver was granted (Part 32 state example under FAS 144 guidelines).

Response: An example of a journal entry made to record an asset impairment is provided on the attached worksheets. The worksheets detail the transaction booked in the third quarter of 2000 for the impairment of LIS trunking. The attached worksheets are:

	Attachment
Original GAAP Entry: Contains the original entry booked in September of 2000 as well as a description of the impairment.	3.1
LIS Invest by State: September 2000 net LIS investment by state.	3.2
State Level Entry: Example of MR entry that would be required at January 1, 2005 to recognize this impairment at the state level.	3.3
LIS by State at 2004: The unamortized balance of the 2000 impairment at December 2004. The original offbook impairment is being amortized over the life of digital switching.	3.4

Also attached is an example Part 32 transaction assuming Qwest's waiver request is granted.

	Attachment
Waiver GAAP Entry: Example of GAAP entry to reverse the unamortized offbook balance as of December 31, 2004.	3.5

4. **Pole Attachments.** Provide an example of the depreciation rate detail within the pole attachment rate for three states (Colorado, Idaho, and North Dakota). Include projected life, remaining life, salvage, and all other depreciation parameters. Provide detail behind ROR and Tax calculations for Colorado.

Response: An example of the depreciation rate detail for the pole attachments for Colorado, Idaho and North Dakota is provided in Attachment 4.1.

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[illegible]

Summary Ref #	Description
(1)	Attachment 1.A.2 (Cost of Removal Calculation)
(1)	Attachment 1.A.2 (Cost of Removal Calculation)
(1)	Attachment 1.A.2 (Cost of Removal Calculation)
(2)	Attachment 1.A.3 (Cumulative Effect)
(2)	Attachment 1.A.3 (Cumulative Effect)
(3)	Attachment 1.A.3 (Cumulative Effect)
(4)	CALC & Attachment 1.A.4

QC Initial ARO Transaction

ATTACHMENT 1.A.2

Service Value Calculation FR (Current Parameters)														
Category	9/30/02 Inv	9/30/02 BK Res	Book Reserve %	Future Gross Salv %	Future Gross COR %	Future Net Salvage %	Total Gross Salv	Total Gross COR	Service Value	Reserve Salv Amount	Reserve COR Amount	Net Negative COR Amount	Rounded Cumulative Effect Adj (\$M)	Net
	a	b	c=b/a	d	e	f=d-e	g=a*d	h=a*e	i=a*(1-f)	j=b*(g/i)	k=b*(h/i)	l: IF l=neg(k-j)	m=nearest 10 M	n=a
MOTOR VEHICLES														
AIRCRAFT														
SPEC PURPOSE VEHICLE														
GARAGE WORK EQUIP														
OTHER WORK EQUIP														
BUILDINGS														
FURNITURE														
OFFICE EQUIPMENT														
COMPANY COMM EQUIP														
GEN PURPOSE CMPTR														
ANALOG SW EQUIP														
DIGITAL SW EQUIP														
OPERATOR SYSTEMS														
RADIO SYSTEMS														
CIRCUIT EQUIP														
CIRCUIT DDS														
CIRCUIT DIGITAL														
CIRCUIT ANALOG														
PUBLIC TEL TERM EQUIP														
OTHER TERM EQUIP														
POLE LINES														
AERIAL CABLE MET														
AERIAL CABLE NON MET														
UNDGRD CABLE MET														
UNDGRD CABLE NON MET														
BURIED CABLE MET														
BURIED CABLE NON MET														
SUB CABLE MET														
SUB CABLE NON MET														
INTRA BLDG CA MET														
INTRA BLDG NON MET														
AERIAL WIRE														
CONDUIT SYSTEMS														
TOTAL														

Aerial Wire Rounded to Nearest 5 M

Cost of Removal impacts are based on GAAP cost of removal factors as of December 31, 2002.

For purposes of FAS 143 implementation only accounts with significant cost of removal (i.e. greater than \$20 million) were included

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Cumulative Effect Estimate

The following SFAS 143 obligations were recognized on January 1, 2003:

Entity	Type of Obligation	1-1-03 ARO Obligation (Liability)	1-1-03 ARO Asset	1-1-03 Depreciation Reserve	1-1-03 Asset NBV
		Source: See Note A	Source: See Note B	Source: See Note C	(ARO Asset - Dep. Reserve)
QC	Leased Space - Central Offices	\$	\$	\$	\$
QC	Leased Space - CDOs, Equipment Rooms	\$	\$	\$	\$
Total QWEST		\$	\$	\$	\$

Disclosure (\$M's)
Ref. #

(3)

(2)

**SFAS 143 Cumulative Effect Adjustment
Booked as of January 1, 2003**

	<u>Pre-Tax Cumulative Effect</u>	<u>Tax Rate</u>	<u>Post-Tax Cumulative Effect</u>	<u>Post-Tax Cumulative Effect</u>
USWC - QC	\$		\$	\$
Total QC	\$		\$	\$
	↓		↓	↓
Disclosure (\$M's)				
Ref. #	(4)		(5)	(6)

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Theoretical Reserve Allocation by Account

ATTACHMENT 2.A.1

Step: 1 Theoretical Reserve by State

Category	AZ	CO	IA	ID-N	ID-S	MN	MT	ND	NE	NM	OR	SD	UT	WA	WY	Total Theo Res...
MOTOR VEHICLES																
AIRCRAFT																
SPEC PURPOSE VEHICLE																
GARAGE WORK EQUIP																
OTHER WORK EQUIP																
BUILDINGS																
FURNITURE																
OFFICE EQUIPMENT																
COMPANY COMM EQUIP																
GEN PURPOSE CMPTR																
DIGITAL SW EQUIP																
OPERATOR SYSTEMS																
RADIO SYSTEMS																
CIRCUIT EQUIP																
CIRCUIT DGS																
CIRCUIT DIGITAL																
CIRCUIT ANALOG																
OTHER TERM EQUIP																
POLE LINES																
AERIAL CABLE MET																
AERIAL CABLE NON MET																
UNDERGRD CABLE MET																
UNDERGRD CABLE NON MET																
BURIED CABLE MET																
BURIED CABLE NON MET																
SUB CABLE MET																
SUB CABLE NON MET																
INTRA BLDG CA MET																
INTRA BLDG NON MET																
AERIAL WIRE																
CONDUIT SYSTEMS																
TOTAL																

Theoretical Reserve Allocation by Account

ATTACHMENT 2.A.2

Step: 2 Account Percent of Total by State															
Category	AZ	CO	IA	ID-N	ID-S	MN	MT	ND	NE	NM	OR	SD	UT	WA	WY
MOTOR VEHICLES															
AIRCRAFT															
SPEC PURPOSE VEHICLE															
GARAGE WORK EQUIP															
OTHER WORK EQUIP															
BUILDINGS															
FURNITURE															
OFFICE EQUIPMENT															
COMPANY COMM EQUIP															
GEN PURPOSE CMPTR															
DIGITAL SW EQUIP															
OPERATOR SYSTEMS															
RADIO SYSTEMS															
CIRCUIT EQUIP															
CIRCUIT DDS															
CIRCUIT DIGITAL															
CIRCUIT ANALOG															
OTHER TERM EQUIP															
POLE LINES															
AERIAL CABLE MET															
AERIAL CABLE NON MET															
UNDGRD CABLE MET															
UNDGRD CABLE NON MET															
BURIED CABLE MET															
BURIED CABLE NON MET															
SUB CABLE MET															
SUB CABLE NON MET															
INTRA BLDG CA MET															
INTRA BLDG NON MET															
AERIAL WIRE															
CONDUIT SYSTEMS															

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Theoretical Reserve Allocation by Account:

ATTACHMENT 2.A.3

Category	AZ	CO	IA	ID-N	ID-S	MN	MT	ND	NE	NM	OR	SD	UT	WA	WY	12/31/2004 FR Res
MOTOR VEHICLES																
AIRCRAFT																
SPEC PURPOSE VEHICLE																
GARAGE WORK EQUIP																
OTHER WORK EQUIP																
BUILDINGS																
FURNITURE																
OFFICE EQUIPMENT																
COMMUNICATIONS EQUIP																
GEN PURPOSE CMPT'R																
DIGITAL SW EQUIP																
OPERATOR SYSTEMS																
RADIO SYSTEMS																
CIRCUIT EQUIP																
CIRCUIT DDS																
CIRCUIT DIGITAL																
CIRCUIT ANALOG																
OTHER TERM EQUIP																
POLE LINES																
AERIAL CABLE MET																
AERIAL CABLE NON MET																
UNDERD CABLE MET																
UNDERD CABLE NON MET																
BURIED CABLE MET																
BURIED CABLE NON MET																
SUB CABLE MET																
SUB CABLE NON MET																
INTRA BLDG CA MET																
INTRA BLDG NON MET																
AERIAL WIRE																
CONDUIT SYSTEMS																
TOTAL																

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COLORADO

ATTACHMENT 2.A.4

ACCOUNT	CATEGORY	1/1/2004 INVESTMENT	BOOK RESERVE		AVERAGE SERVICE LIFE	AVERAGE REM LIFE	AVERAGE NET SALVAGE	FUTURE NET SALVAGE	THEORETICAL RESERVE	
			AMOUNT	PERCENT					AMOUNT	PERCENT
2112	MOTOR VEHICLES									
2113	AIRCRAFT									
2114	SPEC PURPOSE VEHICLE									
2115	GARAGE WORK EQUIP									
2116	OTHER WORK EQUIP									
2121	BUILDINGS									
2122	FURNITURE									
2123.1	OFFICE EQUIPMENT									
2123.2	COMPANY COMM EQUIP									
2124	GEN PURPOSE CMPTR									
2212	DIGITAL SW EQUIP									
2220	OPERATOR SYSTEMS									
2231	RADIO SYSTEMS									
2232	CIRCUIT EQUIP									
	CIRCUIT DDS									
	CIRCUIT DIGITAL									
	CIRCUIT ANALOG									
2362	OTHER TERM EQUIP									
2411	POLE LINES									
2421	AERIAL CABLE MET									
2421	AERIAL CABLE NON MET									
2422	UNDGRD CABLE MET									
2422	UNDGRD CABLE NON MET									
2423	BURIED CABLE MET									
2423	BURIED CABLE NON MET									
2424	SUB CABLE MET									
2424	SUB CABLE NON MET									
2426	INTRA BLDG CA MET									
2426	INTRA BLDG NON MET									
2431	AERIAL WIRE									
2441	CONDUIT SYSTEMS									
	TOTAL									

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IDAHO - SOUTH

ATTACHMENT 2.A.5

ACCOUNT	CATEGORY	1/1/2004 INVESTMENT	BOOK RESERVE		AVERAGE SERVICE LIFE	AVERAGE REM LIFE	AVERAGE NET SALVAGE	FUTURE NET SALVAGE	THEORETICAL RESERVE	
			AMOUNT	PERCENT					AMOUNT	PERCENT
2112	MOTOR VEHICLES									
2113	AIRCRAFT									
2114	SPEC PURPOSE VEHICLE									
2115	GARAGE WORK EQUIP									
2116	OTHER WORK EQUIP									
2121	BUILDINGS									
2122	FURNITURE									
2123.1	OFFICE EQUIPMENT									
2123.2	COMPANY COMM EQUIP									
2124	GEN PURPOSE CMPTR									
2212	DIGITAL SW EQUIP									
2220	OPERATOR SYSTEMS									
2231	RADIO SYSTEMS									
2232	CIRCUIT EQUIP									
	CIRCUIT DDS									
	CIRCUIT DIGITAL									
	CIRCUIT ANALOG									
2362	OTHER TERM EQUIP									
2411	POLE LINES									
2421	AERIAL CABLE MET									
2421	AERIAL CABLE NON MET									
2422	UNDGRD CABLE MET									
2422	UNDGRD CABLE NON MET									
2423	BURIED CABLE MET									
2423	BURIED CABLE NON MET									
2424	SUB CABLE MET									
2424	SUB CABLE NON MET									
2426	INTRA BLDG CA MET									
2426	INTRA BLDG NON MET									
2431	AERIAL WIRE									
2441	CONDUIT SYSTEMS									
	TOTAL									

REDACTED - FOR PUBLIC INSPECTION

IDAHO - NORTH

ATTACHMENT 2.A.6

ACCOUNT	CATEGORY	1/1/2004 INVESTMENT	BOOK RESERVE		AVERAGE SERVICE LIFE	AVERAGE REM LIFE	AVERAGE NET SALVAGE	FUTURE NET SALVAGE	THEORETICAL RESERVE	
			AMOUNT	PERCENT					AMOUNT	PERCENT
2112	MOTOR VEHICLES									
2113	AIRCRAFT									
2114	SPEC PURPOSE VEHICLE									
2115	GARAGE WORK EQUIP									
2116	OTHER WORK EQUIP									
2121	BUILDINGS									
2122	FURNITURE									
2123.1	OFFICE EQUIPMENT									
2123.2	COMPANY COMM EQUIP									
2124	GEN PURPOSE CMPTR									
2212	DIGITAL SW EQUIP									
2220	OPERATOR SYSTEMS									
2231	RADIO SYSTEMS									
2232	CIRCUIT EQUIP									
	CIRCUIT DDS									
	CIRCUIT DIGITAL									
	CIRCUIT ANALOG									
2362	OTHER TERM EQUIP									
2411	POLE LINES									
2421	AERIAL CABLE MET									
2421	AERIAL CABLE NON MET									
2422	UNDGRD CABLE MET									
2422	UNDGRD CABLE NON MET									
2423	BURIED CABLE MET									
2423	BURIED CABLE NON MET									
2424	SUB CABLE MET									
2424	SUB CABLE NON MET									
2426	INTRA BLDG CA MET									
2426	INTRA BLDG NON MET									
2431	AERIAL WIRE									
2441	CONDUIT SYSTEMS									
	TOTAL									

REDACTED - FOR PUBLIC INSPECTION

NORTH DAKOTA

ATTACHMENT 2.A.7

ACCOUNT	CATEGORY	1/1/2004 INVESTMENT	BOOK RESERVE		AVERAGE SERVICE LIFE	AVERAGE REM LIFE	AVERAGE NET SALVAGE	FUTURE NET SALVAGE	THEORETICAL RESERVE	
			AMOUNT	PERCENT					AMOUNT	PERCENT
	2112 MOTOR VEHICLES									
	2113 AIRCRAFT									
	2114 SPEC PURPOSE VEHICLE									
	2115 GARAGE WORK EQUIP									
	2116 OTHER WORK EQUIP									
	2121 BUILDINGS									
	2122 FURNITURE									
	2123.1 OFFICE EQUIPMENT									
	2123.2 COMPANY COMM EQUIP									
	2124 GEN PURPOSE CMPTR									
	2212 DIGITAL SW EQUIP									
	2220 OPERATOR SYSTEMS									
	2231 RADIO SYSTEMS									
	2232 CIRCUIT EQUIP									
	CIRCUIT DDS									
	CIRCUIT DIGITAL									
	CIRCUIT ANALOG									
	2362 OTHER TERM EQUIP									
	2411 POLE LINES									
	2421 AERIAL CABLE MET									
	2421 AERIAL CABLE NON MET									
	2422 UNDGRD CABLE MET									
	2422 UNDGRD CABLE NON MET									
	2423 BURIED CABLE MET									
	2423 BURIED CABLE NON MET									
	2424 SUB CABLE MET									
	2424 SUB CABLE NON MET									
	2426 INTRA BLDG CA MET									
	2426 INTRA BLDG NON MET									
	2431 AERIAL WIRE									
	2441 CONDUIT SYSTEMS									
	TOTAL									

REDACTED - FOR PUBLIC INSPECTION